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Networking Nation-States

The Coming Info-National Order

James C. Bennett

THE EARLY 20th century was filled with predictions that the airplane, the automobile or the assembly line had made parliamentary democracy, market economies, jury trials and bills of rights irrelevant, obsolete and harmful. Today's scientific-technological revolutions (epitomized by space shuttles and the Internet) make the technologies of the early 20th century—its fabric-winged biplanes, Tin Lizzies and “Modern Times” gearwheel factories—look like quaint relics. Yet all of the “obsolete” institutions derided by the modernists of that day thrive and strengthen. The true surprise of the scientific revolutions ahead is likely to be not the technological wonders and dangers they will bring but the robustness of the civil society institutions that will nurture them.

This may seem counterintuitive to many people. Surely novel technological capabilities require novel social institutions, right? The experience of the past century argues that the opposite is the case. Institutions tend to be modified more than replaced. They do not die out unless they demonstrate actual and sub-

stantial harm, and they adapt only as much as needed to provide a viable solution to pressing problems. We should respond to the challenges facing us by strengthening an evolving framework based on our best and most successful institutions.

Of Civil Societies and Free Markets

AT THE DAWN of the 21st century, it is quite clear that states are prosperous when their civil society is strong, and peaceful when their civic statehood is strong. It is no surprise that most of the world's poorer and strife-wracked states are those with no or little civic nature: totalitarian states, personal dictatorships and kleptocracies.

A civil society is a vast network of networks, beginning with the individual and moving outward to encompass families, community organizations, congregations, social organizations and businesses—all invented by individuals coming together voluntarily. Such civil societies beget civic states. These states are ones in which authority begins at the local and community level and gradually is built upwards to deal with wider-scale issues. Civic states are built on community assent and a feeling of participation in a local, regional and national community, and the authority of the state is not upheld by constant exercise of force but by the willingness of citizens to comply with its directives.

At the root of civil society is the indi-

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vidual. People who define themselves primarily as members of collective entities, whether families, religions, racial or ethnic groups, political movements or even corporations, cannot be the basis of a civil society. Societies that place individuals under the permanent discipline of inherited or assigned collectivities, and permanently bind them into such, remain bogged down in family favoritism; ethnic, racial or religious factionalism; or the “crony capitalism” that has marred the economies of East Asia and Latin America.

Democracy and free markets are effects of a strong civil society and strong civic state, not their causes. Over the past century, there has been a misdirection of attention to the surface mechanics of democracy, to nose-counting rather than the underlying roots of the phenomenon. It was clear that a society containing the strong networks of association characteristic of a civil society also develops the means of expressing the interests of society to the state. It is the need for effective means of expression that gave rise to the original governmental mechanisms we now call democracy. Later, intellectuals in societies that did not have a strong civil society (particularly pre-Revolutionary France) looked at societies that did (particularly England) and attempted to distill an abstract theoretical construct capturing the essence of that experience. They called this democracy, but they subsequently focused attention on their model (and its misunderstandings) rather than the essence of what they actually admired.

England’s strong civic state had its roots in local expressions of civil society, a process certainly well rooted by the 14th century. These include the *grand* and *petit* jury systems, the election of various aldermen and other local officials and the quasi-official role of many civil society institutions. Selecting members of the House of Commons was one of many different mechanisms by which local communities gave or withheld their consent to the state.

The lesson of English history has been repeated many times over, up to and including contemporary events in Taiwan and South Korea. When civil society reaches a certain degree of complexity, democracy emerges. Without civil society, importing the procedures, rituals and even institutions of democracy results only in instituting one more set of spoils for families and groups to fight over at the expense of the rest of society. Democratic mechanisms no more create civil society than wet streets cause rain.

Similarly, the market economy is more than the absence of socialism or strong government; it is the economic expression of a strong civil society, just as substantive (rather than formulaic) democracy is the political expression of a civil society and civic state. Entrepreneurship in business uses and requires the same talents and often the same motives that go into starting a church, a nonprofit organization or a political party. The society that can create entrepreneurial businesses tends to be able to create the other forms of organizations as well. Often, the same individuals start several of each form at different stages in their lives. The market economy also requires a civil society with general acceptance of a common framework of laws, practices and manners. Without a general acceptance of fair dealing, an agreement on what fair dealing means, and an adjudication system that can resolve and enforce resolution of disputes, a true market economy cannot exist—as developments in the post-Soviet sphere indicate.

These realizations have immense implications for today. The rapid formation, deployment and financing of enterprises like those found in Silicon Valley are an inherent characteristic of a strong civil society. The strong role of non-company organizations (such as professional and industry associations and informal networks of acquaintances) in Silicon Valley also suggest that such entrepreneurship is a strong civil-society phenomenon. And it is

highly likely that the innovations spawned by the current Information Revolution—including the Internet, the communication satellite and high-bandwidth fiber-optic cable—will spur innovation in the other science-based revolutions.

Indeed, the new technologies have strengthened civic states and societies, making them even more competitive *vis-à-vis* what could be called the “economic state:” the centralized nation-state in which the government draws its *raison d’être* from presiding over the transfer of benefits between generations, classes and regions. The problem for economic states, such as France, is that when creativity does arise and ventures start, the prevailing set of social, economic and political institutions retards their growth.

In corrupt and undemocratic countries with weak civil societies, family networks permit entrepreneurs to get around these obstacles—but only up to a point. They cannot expand easily beyond that. In stronger civil societies, such as Germany, that have high-trust characteristics but lack openness and flexibility in their political and social systems, ventures start but can become frustrated by bureaucratic barriers. There is a French Silicon Valley, but it does not lie in any of the technology centers planned by the French state; rather, it stretches from Dover to London, where hundreds of thousands of young French men and women have relocated to pursue their dreams without the high taxes and social burdens of the Continent.

The Economic State’s Decline and Fall

STATES WITH high regulatory and tax burdens are now coming under heavy pressure as they increasingly find themselves outdistanced. The erosion of the monopoly of the economic state over most arenas of human activities is traceable to the lowering of transaction costs for international financial activities in the 1960s, which allowed

major corporations and banks to take advantage of the lower tax and regulatory burdens of tax havens such as the Netherlands Antilles. Corporations became sophisticated consumers of “sovereignty services.”

Over the past three decades, these trends have accelerated enormously as the breakup of old European empires gave rise to many new sovereign entities. The increase in the number of providers, combined with the falling cost of accessing them, has made sovereignty services (incorporation, ship registration, citizenship, residency permits and so on) a highly competitive market area. As devolution produces yet more sovereign states and the Internet reduces the cost of accessing the services to rock bottom, this market can be expected to flourish. The market for sovereignty services has shown great price elasticity: the users of offshore accounts, shell corporations and trust mechanisms proliferate as the transaction costs of setting up such services fall.

Consider the ability to sell products and services on the Internet, and the decline of the corporation-employment model (seen in downsizing, delayering and in the rise of “free-agent” contractors and entrepreneurs). Private Internet currencies based on strong encryption (cybermoney) will soon provide payment mechanisms that are not recorded in central clearing houses and are thus beyond subpoena power. Much of the actual economic activity in the coming era will pass (and already has passed) out of the strictly national realm. Even the most powerful nation-states are beginning to find it impossible to set currency or interest rates without reference to the world market.

Nor can the economic state count on coercive solutions to counteract this trend. It cannot tax what it cannot see. One of the products of cheap, ubiquitous computing has been the growing, worldwide availability of strong programs for encrypting data

on personal computers. With such programs, individuals and companies can communicate and trade beyond the easy ability of governments to intercept or, if proper precautions are taken, even to be aware that the transactions exist.

States that cling unrealistically to the models of the past will find their economies becoming more like that of Italy, where a very substantial portion of GDP (over 50 percent by common estimates) is thought to be off the books and beyond the view (and reach) of the state. This becomes a vicious circle, as the declining collections force the state to cut services or raise the rates on those who still pay taxes—usually both at once. Cutting services causes taxpayers to question the value of their relationship with the government, and raising rates pushes more taxpayers further into tax avoidance. Both courses of action further reduce the ability of the state to command the sort of revenue stream it previously enjoyed.

The reduction of the effective available percentage of GDP to taxation authorities will accelerate the existing trend toward the decline of economic states. An economic state's support rests primarily on its ability to transfer resources from one sector of society to another. Such states will be subject to stronger pressures to break apart, as the ability to shift wealth declines and the social compacts they support grow weaker. Pay-as-you-go services, such as Social Security in the United States, will be placed under ever-increasing fiscal pressure. To the extent that loyalty to states depends on the delivery of such elaborate benefits, economic states will become decreasingly cohesive.

Some politicians believe that immigration of enough young wage-earners will make cuts from the retired generation's benefits needless. This contains a hidden assumption: that young immigrants, often poorer and from different cultures, will feel sufficient solidarity with the retirees to

continue to support the necessary high levels of taxation. Without assimilation, this is a dubious prospect.

The decline of the economic state will mostly be a quiet and gradual affair, a revolution made of many individual decisions that, when taken together and augmented by technical developments like high-speed air travel and satellite communications, have a cumulative effect. A Canadian executive may take a job in the United States because the income tax burden is so much lower. Continental Europeans might move to London to start a company in order to escape the "social burden" of regulation in France or Germany. And a company could outsource software development to India, where the workers speak English well and are cost-competitive. These are the sort of individual decisions that will shape the emerging world.

What Lies Ahead

A GROUP OF people, the self-described "cryptoanarchists", maintains that the availability of cyberspace transactions beyond the ability of the state to monitor or control will destroy the ability of the state to maintain itself. Those who adhere to this school of thought foresee an era of essentially chaotic social organization, in which market forms predominate in both the economy and other relationships.

Although many of the individual premises of that argument have some validity, the results will not be as extreme as envisioned. Rather than ending the state, it is more likely that these changes will substantially transform its nature. Most states will either adapt to those changes, decline in wealth and importance or, in extreme cases, split apart. The ongoing technological revolutions mean that states will depend increasingly on voluntary forms for cohesion. Successful states are likely to have one or more of the following characteristics:

•*Small populations with a relatively confined geographical spread.* Consensus and coherence are easier to achieve among a limited number of people in territorially-compact areas. This will favor small jurisdictions ranging from Caribbean island states to what Kenichi Ohmae terms “region-states.” Jurisdictions larger than that will probably be structured as federations of civic states.

•*Ethnic or religious homogeneity.* Religious or ethnic ties form a strong bond for cohesion. Israelis put up with the inordinate fiscal and regulatory interventions of their state because to leave Israel is to leave the community that supports their identity.

•*Visible success.* Singaporeans put up with their intrusive government, even when few have any ideological, ethnic or religious reason to do so, because it has delivered visible prosperity and security to its inhabitants over their lifetimes.

•*Market-ordered economies with scope for individual enterprise.* Citizens will tolerate state interventions in a market economy so long as they are not visibly harmful, leave room for individual enterprise, and allow the state to perform more reasonably the services people require. Citizens have stayed in social democracies with state-protected corporations and heavy taxation and regulation, but they tend to flee state-socialist regimes in droves whenever possible. Swedes have always been free to leave their country, while East Germans were not. Yet the latter fled in great numbers when the opportunity arose (to the ultimate demise of their state), while relatively few Swedes have exiled themselves.

•*Low transaction costs for leaving.* It is far easier to maintain cohesion if unhappy persons are permitted and even encouraged to leave, rather than facing heavy penalties for doing so. Exit taxes are signs

of a loser state. The Soviet Union was rightfully despised for levying one, and the United States should reconsider its plans to follow in its wake. Many malcontents will leave; more than a few will decide to return. And, having returned, they will be less discontented. Even permanent expatriates should be encouraged to maintain family and social ties with the home country. Expatriates can deliver useful business and political contacts even when they are not paying taxes.

•*Serving as the home base for a diaspora.* A diaspora provides an environment for useful commercial relationships worldwide. Having even minuscule territory with sovereign characteristics (such as the ability to issue passports) makes life far easier for members of a diaspora. The Internet facilitates personal ties and continued access to one’s home culture.

•*Maintaining enough international associations to enjoy the security, economic and cooperative ties formerly enjoyed only by large states.* Iceland maintains a unique culture and language in a prosperous civil society with a population of only 270,000 people. As such, it would seem to be an advertisement for the viability of very small states. It is not at all clear, however, that it would be nearly as prosperous, secure or independent if not for its active memberships in NATO, the European Economic Area and the Nordic Council.

•*Sharing a positive, self-affirming narrative.* Many such narratives are provided by religious, national or ethnic identity. Israel has a simple and effective narrative—exemplified in phrases such as “Hear, O Israel, the Lord thy God, He is One”, and “Never Again.” Political entities that do not have ethnic or religious cohesion need a sophisticated and equally compelling narrative. The United States has a complex and compelling narrative—exemplified in the phrases, “We hold these truths

to be self-evident” and “the wretched refuse of your teeming shores.” Both have worked. Nations that lose the ability to sustain a positive narrative, on the other hand, lose coherence and identity, and thus voluntary citizen support. In the new environment, such nations will find it difficult to maintain revenue bases, enforce regulation or defend their citizens.

IN THIS world, civic states that are able to generate an essentially voluntary adherence on the part of their populations will dominate. The things of value that civic states provide for their citizens—principles, identity and a sense of community—are fundamentally intangible things that, unlike the economic aspects of sovereignty, cannot become commodities in the world marketplace.

Such civic states are not likely to be able (or want) to form or sustain large-area organizations with tightly integrated populations that generate a consensus to pay for and share an elaborate structure of state-provided and state-mediated benefits consuming high (33 to 60 percent) proportions of the state’s GDP. The decline, decentralization and, in some cases, destruction of economic states will strengthen civic states by providing impetus to the search for newer, more flexible and less centralized mechanisms linking large-scale activities.

Do larger-scale economic areas like the European Union offer a potential solution to this perfect storm of the economic state? To the extent that such unions concentrate on the positive accomplishments of the Union, the answer is a qualified yes. The EU has had some success in promoting free movement of people, capital and ideas throughout its internal area, and facilitating cooperation in all areas where existing commonalities permit greater cooperation between similar cultures. A union that would seek to create a common economic, informational, and residency space for the citizens of its

member-nations could be of benefit.

However, to the extent that the EU has ended up dictating the social policies of its member-nations, attempted (with some success) to relocate executive power from national bodies under democratic scrutiny to unscrutinized bodies on Union-wide levels, and maintained large cross-regional subsidies to buy assent, it is not only not a solution, but becomes a new type of problem in itself. The EU has become to international cooperative organizations what the economic state has become to the nation-state. By trying to become an economic state on a wider scale, the EU has increased the amount of bureaucracy, top-down planning and intervention.

Additionally, it has replaced some of the barriers with which small states have tried to insulate themselves from economic reality by a new, Union-wide set of more insidious non-market barriers, particularly in the area of rigid and expensive standards, and subsidy programs that have the same ultimately futile goal in the world economy. By trying to maintain an already strained entitlement and *dirigisme*-based political and social model, the EU will find itself under ever-increasing pressure in the coming decade because of these structural weaknesses, aggravating an increasing demographic crisis.

The Rise of the Network Commonwealth

IN DISCUSSIONS about these changes and their effects, two schools of thought seem to have emerged to date. One is a gloomy and apocalyptic vision of many small, essentially unconnected mini-states engaged in intermittent low-level conflict and confrontation, reminiscent of Hobbes’s “War of All Against All.” It is a vision of a few rich Singapores and many poor, conflict-torn Kosovos. This view is reflected in political works such as Robert D. Kaplan’s *The Coming Anarchy*, and in the imagined worlds of futurist fiction such as Neal

Stephenson's *The Diamond Age*.

The other could be described as a "One World via Internet" vision of increased communication (with English as the universal language), omnidirectional cooperation and networking on a world scale. Its proponents, such as the cyber-futurists of *Wired* magazine, envision that lowering the transaction costs of cooperation to a uniform level worldwide will make it equally likely for any one person anywhere to cooperate with any other person anywhere else.

In many versions, less futurist, less libertarian, but more typical of Hegelian-Kantian internationalists, it leads to a vision of world governance—of increasing integration into regional transnational organizations, such as the European Union and NAFTA, in parallel with single-purpose world-level structures such as the World Trade Organization, ultimately all merging into a mode of world governance.

If the one vision leads to a few Singapores and many Kosovos, the other, it is thought, will spawn a multicultural Golden Era, benignly presided over by an enlightened United Nations and its international organs.¹ Neither vision is likely to be realized. The breakdown of the old structures need not, and probably will not, continue infinitely. If it were to persist, the ongoing division of national communities would result in an undifferentiated and disconnected mass of ever-smaller nation-states—or, more honestly said, tribal states. The dissolution of the USSR and of the Socialist Federative Republic of Yugoslavia show what the human costs of such processes can be.

Equally, there is an inherent limit to the prospect of any form of universal or global governance in the near future. Such a government (unless it is a disguised empire of a major power imposed on the rest) would have to be constructed on a lowest-common-denominator basis to include a substantial collection of hapless dictatorships, rotten oligarchies and

shabby kleptocracies. One need only look at the ineffectiveness of the United Nations in coping with many global issues to see the limits of this approach.

In between the old natural unit marking the limits of easy cooperation, namely the nation-state, and the distantly (and perhaps chimerically) glimpsed vision of universal civilization, we must interpose a middling form: a set of like, but not identical, societies sharing a number of common characteristics, within which social cooperation bears significantly lower transaction costs than without. This now-emerging entity is the network civilization—a new civilizational form enabled by networks.

Consider the visible effects of the current phase of the scientific-technological revolutions: the Internet; the communication satellite and high-bandwidth fiberoptic cable; fast, cheap intercontinental air travel; and all the rest. Even today, these have brought geographically distant areas into close proximity for many purposes. The acceleration of these technological and economic trends will make this "tele-proximity" even more significant. Collaboration in all areas—economic, educational, political—is becoming relatively easier at a distance. But as the old natural barriers to trade and communication—mountain ranges, wide oceans, and other natural barriers—no longer need be borders, the next most significant set of barriers remains—differences in language, customs, legal systems, reli-

¹The universalists divide into the more optimistic libertarian internationalists—such as Walter Wriston or Kenichi Ohmae, who see globalization *à tout azimuth* as an inevitable product of social evolution—and those who see this world as a goal to be imposed. The latter (including most of the pro-Europeanist theoreticians, such as Charles Kupchan, Will Hutton and Jürgen Habermas) have been usefully categorized as *transnational progressives* by Hudson Institute scholar John Fonte.

gions, and other significant values, and particularly things like trust.

The network civilization is associated primarily on the lines of cultural contiguity: groups of nations sharing language, customs, legal systems, religions and other significant values, most specifically, trust characteristics. It has sometimes been asserted that the global adoption of English will abolish transaction costs of cooperation between civilizations, or that automated translation will do so. Although both phenomena are real, it is unlikely they will have the expected effect, for it is precisely the unexpressed web of assumptions behind the formal words that create the barriers between cooperation. "We must make an accommodation" has a different nuance in a business discussion in Lima, Ohio from one in Lima, Peru.

On the other hand, the unprecedented rapidity, cheapness and ease of use of modern telecommunications, particularly the Internet and World Wide Web, knits together culturally similar societies into what is rapidly becoming a single cultural artifact subdivided along many different lines. Consider one example: the changes in the public debates in the English-speaking world at the time of the Gulf War, the Balkan interventions of the mid-1990s and the Iraq War. The debates over the Gulf War were overwhelmingly conducted in the traditional style of the 20th century, somewhat accelerated by satellite television. That is, America, Britain and other nations each witnessed a debate among their traditional policy elites in legislatures, the media, and academic circles. The American media analyzed, summarized, and then presented their summary of "British opinion" on the matter; the British media likewise encapsulated their impression of American debate and presented it domestically.

During the Balkan crises, Americans began to be able to follow lengthy sections of the British parliamentary debate directly on cable television; the prolifera-

tion of cable services and cable channels, particularly ones devoted entirely to news and politics, suddenly made it possible for millions of Americans to follow a debate that previously would have been scrutinized in such a level of detail by mere hundreds, or at most thousands, of diplomats and academics. Although the speed at which events unfolded was far faster, Americans and British debaters spoke as much for and from their national communities as an Athenian or Corinthian might have 22 centuries previously.

By the time of the Iraq War, the proliferation of the Internet and such phenomena as Web logs—individually produced Web diaries updated daily or even hourly, with direct links to other "blogs", often linking to eyewitness accounts to current events, and to a huge host of media sources—created a situation in which political debate effectively occurred seamlessly across the English-speaking world without the intervening mediation of cultural and political elites. It was a debate segmented primarily by political position rather than by nationality. In fact, both pro- and antiwar opinion was often elaborated by group blogs, each of which were collaborative efforts stretching from London to Sydney and everywhere in between. Both because of direct contact across the Web, and by the indirect effect of subjecting traditional media to criticism and feedback of a scope, level and intensity never before experienced, political debate over the Iraq War has experienced a remarkable degree of disintermediation and popular involvement. This experience promises to become a new benchmark for future reportage and debate.

ALL INDICATIONS suggest that these patterns will intensify rather than abate. Network civilizations appear to be the next step in expanding the circle of civil society, which has elaborated itself over time from local

and regional networks of commercial, intellectual and civic collaboration, to networks of national scale.

The Industrial Revolution made continent-spanning nation-states possible. The Information Revolution offers the possibility that civil societies may link themselves on a globe-spanning—although not universally inclusive—scale. Such is the network civilization. It can hardly fail to call forth political and economic forms to parallel its effects. The Network Commonwealth is an effort to name an equivalent form for the network civilization, and to identify its emerging precursors in existing institutions. Just as the ethnic nation was the raw material from which the classical nation-state was built, so the network civilization is the raw material from which the Network Commonwealth is being built.

This facilitates the movement of people, goods and services across borders, forming and strengthening shared cultures (both elite and popular) and experiences—for example, common publications read by the publics of all of the nations of a particular network civilization. In turn, this lays the foundation for greater institutional cooperation (in the form of common markets, permanent security alliances and joint scientific and technological projects). A Network Commonwealth would build on these existing forms of transnational cooperation and thus emerge along existing information-oriented lines of linguistic and cultural affinity. It would be defined by close trading relationships and substantial military cooperation and intelligence-sharing among its constituent states, as well as a high degree of intra-network flows of migration and investment.

The Network Commonwealth is not a nation-state of the historical type. It is not a state at all, although it has the potential to offer an alternative means for fulfilling some traditional functions of economic states. It is a means of linking smaller political communities so that they can deal

with common concerns. It is a way to provide opportunities to their members—opportunities that cannot be provided by small, independent sovereignties alone, and for which economic states and empires exact too high a price.

The emergence of the Network Commonwealth as a potential form of political, social and economic organization is driven by three emerging realities.

First, *the basis of the world economy is changing from manufacturing to information*—the ideas and informational products, as well as the human minds and skills in which they are embodied. Just as agriculture remained important in the Machine Age, manufacturing (and agriculture) will remain important in the Era of the Information Revolution—but mastery of manufacturing will come with mastery of information, just as a mastery of agriculture passed to those who mastered machinery. Similarly, as military predominance once passed to those powers that led in industrialization, so too will military predominance pass to those who best master information technology.

Second, *physical space is no longer the most important factor in political association*. Cultural space is. What is the result of this shift? In an Internet-mediated economy where information is the chief product, London, Toronto, Los Angeles, Cape Town and Sydney are next door to each other—while London and Paris, Toronto and Montréal, Los Angeles and Beijing, Sydney and Jakarta are all separated by a wall of differing visions and assumptions.

Finally, *cooperation is proportional to communication as complexity increases*. Meaningful, thorough and successful cooperation is most easily accomplished among those who can communicate with the most depth and clarity—namely, those who share language, a set of political assumptions or common moral ideas. Certainly, substantial multinational and multicultural cooperation does occur in business, scientific and political circles, but

when the focus of the cooperation is information-intensive (as in the production of software or motion pictures), it has most frequently been among companies rooted in the same linguistic communities.

All-in-all, instantaneous, flat-rate and worldwide communications, in addition to cheap long-range aviation, are forming a new topology of political space. In this new environment, physical proximity is no longer the most important factor in either trade or power projection. Combined with this are political developments, such as free-trade agreements and migration arrangements permitting people to travel, visit, study or work freely outside their native country. This is driving a transition from organization along lines of geographical proximity to structures organized primarily along civilizational lines. A further spur to the development of Network Commonwealths is that they promise to provide many benefits without the costs that economic states have historically imposed on individuals and society.

The Emerging Anglosphere

BECAUSE Britain, and subsequently the United States, experienced the Industrial Revolution and political modernity early on, the English-speaking nations have tended to be in the forefront of social, political and economic evolution and to develop particularly strong civil societies. The position of the United States in the Information Revolution and the emergence of the Internet have continued this tendency. So it is likely that Network Commonwealth structures will probably emerge in the English-speaking world quite early. Some developments to date indicate that this is indeed happening.

Internally, the Anglosphere already exhibits a web of network civilizational ties that could become the precursors of a budding Network Commonwealth.

Publications like the *Financial Times* and the *Economist*, for example, effectively serve the entire English-speaking network civilization, not simply a Britain-based constituency. One can also speak of an emerging Anglosphere entertainment industry, based upon the growing collaboration of Australian, American and British directors and actors (and the use of New Zealand for film-shooting), where the final product appears on screens from Canberra to Chicago to Cambridge. Already, a high proportion of foreign direct investment—now a more important measure of economic integration than trade in physical goods—in all English-speaking countries is from other English-speaking countries.

Network civilizational ties have helped to spawn a series of common institutions. The close military relationship between the United States and the United Kingdom, once again displayed in the recent Iraq War, laid the basis for the world's longest-lasting and most successful alliance, the North Atlantic Treaty Organization. Similarly, ANZUS binds the Anglosphere nations of the Pacific in a similar mutual defense pact. Other institutional examples of the emerging Anglosphere include the US-UK-A intelligence-sharing scheme and close cooperation between American and British intelligence services; organizations that contain a substantial but incomplete set of English-speaking nations, such as the Commonwealth of Nations; and a large number of regional sets of collaborative institutions, mostly linking the three main pairings of English-speaking states (the United States and Canada, the United Kingdom and the Republic of Ireland, and Australia and New Zealand). All-in-all, there are a substantial number of British and American activities and non-trivial sets of intra-Commonwealth institutions.

U.S.-Canadian collaborative institutions are of particular interest because

they achieve a very substantial degree of cooperation while being based on a strict understanding of national sovereignty. Unlike the European case, there is no master treaty of U.S.-Canadian integration that pledges an “ever-closer union:” neither Jacksonian Americans nor Canadian nationalists would tolerate any threat, however latent, of a permanent surrender of sovereignty. Yet the U.S.-Canada Free Trade Agreement (and its more broadly focused successor NAFTA), as well as NORAD in the defense realm, are both conspicuously successful examples of international cooperation.

ONE OBVIOUS route for further elaborating intra-Anglosphere ties would be to extend NAFTA to Australia and New Zealand, a move already under discussion among policymakers. Another would be to bring into daylight the existing US-UK-A intelligence-sharing arrangements (not formally acknowledged at present) in the form of a public mutual-assistance treaty and permanent formal organization. Such a step might assist in demonstrating a publicly-visible oversight mechanism for its controversial elements such as the Echelon data-intercept system.

Welcoming the United Kingdom and, in some areas, the Republic of Ireland into organizations formed on the armature of U.S.-Canadian collaboration is likely to depend upon the future course of European integration. The Washington-London economic and security relationship is the key relationship of the Anglosphere, considered either in economic terms or military heft. If evaluated on a dynamic scale anticipating trends in the Information Revolution, the potential for even closer British-American economic integration is substantial.

It is also a question of balance. An Anglosphere Network Commonwealth without the UK is predominantly the

United States with appendages. With the UK, and particularly the financial capabilities of London, intra-Anglosphere relations are not so lopsided. Yet, given the substantial turbulence likely in European relations over the next decade due to its accelerating demographic and fiscal-structural issues, a looser Europe more open to closer UK-Anglosphere ties is more rather than less likely. Even today, after decades of British membership in the European Union, there is a substantial gulf in attitudes towards America between Britain and Continental Europe. Not only was this seen in the Iraq War, but at a popular level twice as many Britons report feeling closer to the United States than to their Continental neighbors. A recent survey by the *Economist*, largely a pro-EU magazine, showed that more Britons felt represented by the American flag than by the EU one, and far more of them identified with the United States than Europe as Britain’s most likely source of help.

An Anglosphere Network Commonwealth would emerge from a series of parallel, overlapping and non-exclusive cooperative organizations. Not all Anglosphere nations would be expected to be involved in every other one. Ireland, for example, would probably find the economic and migration dimensions to be of interest, but would probably not participate in defense-related activities. Nor should a rigid linguistic-cultural test be used to exclude automatically a particular nation if its cooperation would be otherwise useful. After all, whether a particular nation is a member of a particular network civilization is in many cases likely to be a matter of debate to which there is no automatic answer. Neither India, South Africa nor even Canada are entirely English-speaking, but they all are significant actors in the Anglosphere. Still more so, India is part of the Anglosphere even though it is not primarily English-speaking. Yet its burgeoning military alliance with the United States is facilitated both by the fact

of an English-speaking elite and, more particularly, by the British “character” and traditions of its military forces.

So it is probably more useful to define network civilizations inclusively rather than exclusively: some significant degree of English-speaking population, and some degree of institutional affinity with Anglosphere legal or governmental practices probably make it valid to include a nation in the broader definition of the Anglosphere, and thus indicate that such a nation might usefully participate in some of its cooperative institutions, including an emerging Network Commonwealth.

What Spheres May Follow?

THE MORE the highest value in international trade shifts from natural resources, agricultural commodities and low-tech manufactured goods to information products and services delivered via the Internet, the more lines of trade and cooperation will fall along linguistic-cultural lines rather than geographic ones. This is true not only for the Anglosphere. Similarly, there has been an increasing trend for Spanish-language information trade (particularly in electronic entertainment) to flow seamlessly through what, by extension, could be dubbed the “Hispanosphere:” an elastic entity that includes Los Angeles and Miami as well as Madrid, Mexico City and Buenos Aires.²

Indeed, the Spanish-speaking world is another prime candidate for the creation of such a Network Commonwealth in the near future. Spanish-language information productions (not only books and periodicals but television programs and movies) flow freely across borders. Spanish-language literature is enjoyed across national boundaries, and something like a pan-Hispanosphere intellectual dialogue exists. The Spanish-language Internet world lags behind that of

the Anglosphere, for obvious economic reasons, but similar trends can be observed within that world.

In the economic realm, Spanish companies played a substantial role in the modernization of Latin American economies during the 1990s and can be expected to play a similar role in the future. Spain is now poised to become the world’s leading investor in Latin America. This is a new phenomenon, as Latin Americans since independence have looked to France, Britain and America for foreign economic participants. Yet it is likely to continue, and perhaps accelerate, depending partly on whether the European Union’s structural evolution begins to create obstacles to Hispanosphere economic cooperation.

Given its demographic vigor, the Hispanosphere could also emerge as another network civilization. Although there has been relatively little effort to create formal institutions to date, due partly to existing intra-Hispanosphere rivalries, the cultural and economic spheres offer obvious places to start—and there are proposals to turn the annual Ibero-American Summit into a more permanent forum. Additionally, Spain, like Britain, will eventually have to decide to what extent its European ties can be permitted to limit its ability to collaborate with its overseas linguistic compatriots. Both may find that a looser definition of the European project is attractive as a consequence. Indeed, for Spain, a freer movement of peoples from Latin America could present a more tolerable solution to its share of Europe’s demographic challenges than its current course of action—dependence upon a flow of migrant labor from North Africa.

²Darrin McMahon discussed “The Other Transatlantic Tie: Thoughts on an Hispanosphere” for the Foreign Policy Research Institute’s *Study Group on America and the West* on October 20, 2003.

Along with the possible emerging Hispanosphere, France supports a substantial apparatus—*La Francophonie*—for pan-Francophone relations that could serve as the nucleus for a Francosphere Network Commonwealth. And finally, the increasingly close connections between Brazil and the former Portuguese states of Africa foreshadows the possible development of a Lusosphere. Such ties would be an asset out of proportion to Portugal's other economic opportunities.

MIGHT THE Network Commonwealth ameliorate situations in which ethnic populations spill over international borders? The Commonwealth of Independent States—and now Putin's current program for a common economic space that includes Belarus, Ukraine and Kazakhstan—has been suspect as a stalking-horse for a renewed Soviet Union or revived Russian empire. Similarly, Chinese interest in Taiwan and Chinese-populated states such as Singapore, and Turkish ambitions in the Turkic-speaking states of Central Asia have also been viewed with suspicion. Yet in each case, a Network Commonwealth approach might provide an outlet for these ambitions without presenting the problems that any effort at state-building or incorporation would arouse.

Can the European Union itself be considered a Network Commonwealth of sorts? It has abolished state monopolies, opened protected markets and has greatly increased the average European's freedom to travel, reside, work and compete throughout its territory. Most importantly, it has served to keep many of its politically more marginal members, such as Spain or Greece, from backsliding into dictatorship—thereby creating an incentive for shaky Mediterranean, central and east European democracies to join. But the answer is no. It is difficult to envision the very broad Union, now realized with the

accession of the central and east European states, ever successfully replicating the level of integration of France and Germany from the Azores to the suburbs of St. Petersburg. The inherent problems in defining a "common European culture" that includes all Union member-states but excludes the Americas and Australasia make the idea of a wider European state or a "European Network Commonwealth" highly problematic.

What is more likely to emerge over time is a European Union structure that enables its member-states to develop Network Commonwealth ties with their non-European civilizational partners. The most likely arrangement—to oversimplify brutally—is a "variable geometry" Europe with a tight federation of the Rhenish states (grouped around the Franco-German core) much more loosely linked with the four historically "exceptionalist" areas: the British Isles, Iberia, Scandinavia and east-central Europe. None of these areas, for various reasons, ever experienced the full charms of the Colbertian state, and each thus retains a core of resistance to implementing such institutions on a wider scale. Whether the tight federation or the wider, loosely linked trade area bears the name "European Union" is a taxonomic quibble.

Alternatives to World Governance

EVOLUTIONARY conservatism argues that organizing closely-linked sovereign nations into a loose and flexible structure is a less costly step than organizing wide-scale, rigid unions. The evolution of political forms thus favors the Network Commonwealth. This is demonstrated by the fate of proposals like that of author Clarence Streit in the late-1940s to form an "Atlantic Union", a permanent federal union of the Atlantic democracies. Although this idea had potential benefits, it also had a number

of real problems, many of which have also been encountered in the process of building the European Union. Almost all of the benefits of the proposed Atlantic Union promised could have been, and in fact later were, delivered by less radical mechanisms that neither imposed the costs nor met the resistance that a federal union threatened. Many of these alternative mechanisms are the same institutions that promise to become the sinews of a Network Commonwealth: free trade agreements, alliance structures and cooperative organizations.

As returns from revenue collections (income, capital and sales taxation) decline, the economic states that once derived direct benefit from their large scale will find such benefits increasingly elusive. Rising costs and falling benefits will foster their devolution or breakup.

Still, benefits to large-scale organization remain. They include mobility of productive people over wide areas and cooperative pooling for defense or scientific research purposes. These benefits can be realized more cheaply by Network Commonwealth arrangements than by

maintaining large-scale economic states or by trying to form purely economic unions. The proposal to form a free-trade agreement between NAFTA and the European Union (most recently raised by British Chancellor of the Exchequer Gordon Brown) is fine as far as it goes. But new forms of common economic space must also be realized to facilitate the collaboration of software, media, financial services and other high-value information products among countries that are information neighbors. NAFTA, the EEA and the proposed NAFTA-EU link may ultimately have more value in the future as means of linking different Network Commonwealths, rather than as proto-commonwealths in themselves. NAFTA's true vocation may be to link the communities of Shakespeare and Cervantes rather than merely serve as a means of allowing the sale of cheaper tomatoes in American supermarkets.

Rather than problematic schemes of universal transnational governance, associated commonwealths, achieving more modest goals more effectively, could be the prevailing political form of international organization in the 21st century. □

The French economist, Michel Albert, was right when he drew the great capitalist divide not down the Atlantic but down the English Channel, between the "neo-Americans" and the "Rhine model." Though his divide was between the collectivist corporatism of Continental Europe and the individualism of Anglo-America, it was also cultural. Mr Blair's ambition to be "the bridge between Europe and America" is absurd. He is an "American", leading a country which may not be a 51st state but which has always been part of a centuries-old confederacy. That confederacy may have split in the 18th century, but it has drawn sustenance from that split and has exchanged people, ideas and security ever since.

Britons still comprise the largest category of legal immigrants into America each year. There are 35,000 Americans living in London and 35,000 Britons living in New York. These two most dynamic world cities are Siamese twins. Their economies depend on the same industries of finance and leisure, rising and falling in unison and largely independent of their hinterlands. They are both global people magnets. New York's greed is London's greed; London's art is New York's art.

I cannot turn on a radio station and not hear an American voice. Britain and America enjoy a shared cadre of novelists, playwrights, architects and musicians. Judging the Booker Prize three years ago, I found the exclusion of American-born authors absurd. English literature is that of a global diaspora. Today's most dynamic art form, cinema, depends on a single transatlantic talent pool, as does most popular entertainment. . . . Continental Europe, rich though it is, might be on another planet.

—Simon Jenkins, *Times* of London, November 19, 2003